

**PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SITE NO. 3, BLOCK B, SECTOR 18-A, MADHYA MARG, CHANDIGARH**

Review Petition No. 06 of 2023

In Petition No. 05 of 2023

Date of Order: 21.08.2023

Review Petition/Application under Section 94 (1) (f) of the Electricity Act, 2003 read with Regulation 64 (Chapter XIII) of PSERC (Conduct of Business) Regulations and other provisions for Reviewing the Order dated 15.05.2023 rendered by the Commission in Petition No. 05 of 2023 for introduction of One Time Settlement Scheme for all categories of defaulting consumers (except AP).

In the matter of: Punjab State Power Corporation Limited,
The Mall, Patiala, Punjab
.....Petitioner

Present: Sh. Viswajeet Khanna, Chairperson
Sh. Paramjeet Singh, Member

Order

1. Punjab State Power Corporation Limited (PSPCL) has filed this review petition for reviewing the Order dated 15.05.2023 in Petition No. 05 of 2023 regarding introduction of One Time Settlement (OTS) Scheme for all categories of defaulting consumers (except AP).

2. The submissions made in the petition are summarized as under:

I. The Commission vide order dated 15.05.2023 in Petition No. 05 of 2023 had approved One Time Settlement (OTS) Scheme for all categories of defaulting consumers (except AP) to provide an opportunity to settle outstanding dues of running connections/revive the disconnected connections. The eligibility criteria, terms and conditions regarding the scheme were issued by PSPCL vide Commercial Circular No. 22/2023 dated 26.05.2023. The OTS

scheme was approved for a period of three months from the date of issuance of commercial circular by the PSPCL.

II. This scheme is applicable to those consumers whose default of payment/defaulting amount existed as on 30.09.2022 and default is outstanding till the date of issue of Commercial Circular. All those Govt. Connections who deposited their defaulting amount by 31st March, 2023 as per PSPCL letter no. 127/131 dt. 24.03.2023, have been included in the present OTS scheme

III. Recovery of settled dues is through a maximum of four instalments over a period of one year. However, for Govt. Connections, the period of instalments for recovery of pending amount after settlement in above scheme may be three years to take the benefit of the RDSS scheme of Govt. of India.

IV. Revenue which would have accrued to PSPCL from late payment surcharge as per clause 27(c) of PSERC MYT Regulations 2022 will be treated as notional interest under non-tariff income to avoid burden of loss/expense on this account to other consumers. This shall be settled on the account of PSPCL and will not be a pass through in the ARR.

V. PSPCL shall furnish the case-wise information i.e. payments recoverable as per PSPCL record, amount realized, benefit of LPS / LPI provided to the consumers under the OTS scheme etc. to the Commission within one month from the date of end of the scheme.

PSPCL in its review petition has taken ground that, as the economic condition of PSPCL is not very good and PSPCL is facing lots of revenue loss, making it increasingly challenging for PSPCL to meet its financial obligations and maintain operational efficiency and it is prayed that revenue which would have accrued to PSPCL from late payment surcharge will be passed to ARR to avoid more financial

burden of PSPCL. Granting an exemption regarding the Late Payment interest and Surcharge in the OTS scheme would provide some much-needed respite to PSPCL. By temporarily suspending these charges for consumers who opt for the OTS scheme, PSPCL can encourage prompt payments and reduce the burden of outstanding dues, thereby facilitating improved cash flow. The imposition of Late Payment Interest and Surcharge as mechanisms for ensuring timely payments and fiscal discipline. However, the current circumstances require a pragmatic approach to support PSPCL in recovering from the financial crises.

3. PSPCL has prayed to the Commission to:

- (a) admit the review petition;
- (b) review the Order dated 15.05.2023 passed by the Commission and modify the Order in respect of the aspects mentioned herein above; and
- (c) pass such further order as the Commission may deem just and proper in the circumstances of the case.

4. **Decision of the Commission:**

i) **The Commission notes that PSPCL has proposed One Time Settlement Scheme (OTS) for defaulting consumers of all categories (except AP) in Petition No. 05 of 2023 which was approved by the Commission vide Order dated 15.05.2023. The Commission in its Order dated 15.05.2023 had observed that providing full waiver of LPS to any consumer entails shifting of liability from the defaulter to other paying consumers of the Licensee, which would not be fair. Accordingly, the Commission decided that the Revenue which would have accrued to PSPCL from late**

payment surcharge as per clause 27(c) of PSERC MYT Regulations 2022 will be treated as notional interest under non-tariff income to avoid burden of loss/expense on this account to other consumers. This shall be settled on the account of PSPCL and will not be a pass through in the ARR.

ii) PSPCL has prayed to pass the revenue which would have accrued to PSPCL from late payment surcharge to ARR in order to avoid its financial burden as its economic condition is not very good. The Commission had made amply clear to PSPCL in its Order dated 15.05.2023 that LPS shall be settled on the account of PSPCL and will not be a pass through in the ARR. PSPCL had sought approval of OTS Scheme to improve their financial crunch being faced by them & was aware of its economic condition and while issuing the Commercial Circular based upon the decision of the Commission and it was sole decision of PSPCL to settle the LPS on its account.

iii) Clause (1) of Regulation 64 of PSERC (Conduct of Business) Regulations, 2005 specifies as under:

“64. Review of the decisions, directions and orders:-

Any person aggrieved by a decision or order of the Commission, from which no appeal is preferred or allowed, and who, from the discovery of new and important matter or evidence which, after the exercise of due diligence, was not within his knowledge or could not be produced by him at the time when the decision/order was passed by the Commission or on account of some mistake or error apparent on the face of record, or for any other sufficient reason, may apply for review of such order within 60 days of the date of decision/order of the Commission.”

Regulation 64(1) specifies the grounds on which review can be sought by a person aggrieved by the decision or the Order of the Commission and the grounds are:

- a) **Discovery of new and important matter or evidence which, after the exercise of due diligence, was not within the knowledge of the person or could not be produced by him at the time when the decision or order was passed by the Commission or**
- b) **Mistake or error apparent on the face of record or**
- c) **For any other sufficient reason.**

The petitioner has produced no new and important matter which was not within its knowledge or could not be produced at the time when the decision or order was passed by the Commission. The review petitioner has only prayed to review the matter on basis of its economic conditions. The submissions of the petitioner do not fulfil the conditions for review as laid down in the Regulations. In view of the above, the instant Review Petition does not merit admission and is dismissed.

Sd/-

(Paramjeet Singh)
Member

Sd/-

(Viswajeet Khanna)
Chairperson

Chandigarh

Dated: 21.08.2023